



Take-Home Policy Example *Governing the Assignment of Vehicles*

Policy Governing the Assignment of Vehicles

Company transportation within Company X shall be assigned with the approval of the Group Head and the President and COO only to an employee and only when such transportation is determined to be required in the fulfillment of Company duties.

Company transportation shall not be assigned to an employee as a convenience, and the use of Company vehicles is limited to authorized Company business, including commutation between the employee's residence and work headquarters. Company vehicles must be locked when left unattended.

Emergency Response Employees are designated management employees who are required to respond to the site of an emergency and who are trained and qualified to take action to control or alleviate the circumstances associated with the emergency (Exhibit A).

Emergency Response Employees will be assigned and required to take a Company-provided vehicle home. These employees are regularly required to perform most, if not all, of the following duties:

- Communicate with and direct field operations during an emergency with a Company radio.
- Provide directions and instructions to personnel responding to the emergency.
- In the absence of Bargaining Unit employees, be trained and qualified to take action to insure public and employee safety, and carry in the assigned vehicle the required tools and equipment (e.g. Hotstick, CGI, etc.) to perform such duties.
- Be on a regular rotating emergency call list, requiring an immediate response to emergencies in the field.
- Live 20 miles or less from their assigned headquarters. For the purpose of calculating mileage fees, employees outside this limitation shall be charged an amount equal to the current IRS mileage reimbursement rate for all roundtrip miles greater than 40.

Emergency Support Employees are designated management employees who are required to provide administrative, technical and managerial support to an emergency response effort and generally do so at an assigned headquarters (Exhibit A). An Emergency Support employee may elect to have an assigned Company vehicle in accordance with the Transportation Policy.

Commercial and District Representatives shall be assigned a Company vehicle which may be garaged at the employee's home pursuant to applicable provisions of the Labor Agreement and guidelines issued by the Customer Services Group Head.

By November 15 of each year, the Director of Transportation shall submit to each Manager a list showing the individuals (designated Emergency Response and Emergency Support) who are currently assigned a vehicle. This list shall be reviewed for accuracy and returned to the Director of Transportation by December 15. Updates (as applicable) shall be noted.

Policy Governing Mileage Rates

A total of 200 business days will be used to assess the charge for a Company vehicle.

All management employees designated as Emergency Response Employees, who as part of their job responsibilities are required to take a Company vehicle home, will be charged an amount representative of the fleet operating rate (\$.20 per mile running cost) for the round trip of the employee on each normal business day to and from his/her home and work headquarters.

Emergency Response Employees with First Level Supervisor responsibilities (as designated in Exhibit A) will be charged only for round trip miles that exceed 20 miles.

Management employees designated as Emergency Support Employees assigned a Company vehicle and electing to take a Company vehicle home will be charged an amount equivalent to the current IRS mileage reimbursement rate for the round trip of the employee on each normal business day to and from his/her home and work headquarters.

Mileage charges will be deducted from the employee's salary (at regular pay periods) and will appear as a deduction on the employee's statement of earnings and deductions. It is the responsibility of the employee having an assigned vehicle to notify their Supervisor of any change of their regular work headquarters or residence that would affect the mileage charged. This notification will be accomplished by routing a Company Vehicle Deduction Authorization form through the appropriate personnel.

Employees assigned Company vehicles will not be reimbursed for bridge tolls when driving to/from their residence and regular work headquarters on a regular workday for regular work hours.

Employee Transfers

For a period not to exceed 6 months, a management employee with an assigned Company vehicle who is transferred to meet the operating needs of the Company shall not be required to pay for any increase in round trip mileage over the round trip mileage to their previous headquarters. With the approval of the President, such period may be extended. If the employee has an assigned Company vehicle, the mileage charge will be based on the lesser of the mileage from their residence to their previous headquarters or to their new headquarters. Such employees will be reimbursed for additional tolls during this period.

If the employee does not have an assigned Company vehicle at their former headquarters but is subsequently assigned a Company vehicle at their new headquarters, their mileage rate will be based on the lesser of the mileage from

their residence to their previous headquarters or to their new headquarters (as applicable) for a period up to 6 months. With the approval of the President, such period may be extended. Such employees will be reimbursed for additional tolls during this period.

For a period not to exceed 6 months, management employees who are transferred to meet the operating needs of the Company and who are not assigned a Company vehicle will be reimbursed at the current IRS mileage reimbursement rate for any increase in mileage from the employee's home to the new work headquarters.

Employee Promotions

When an employee is promoted to a position which requires the assignment of a Company vehicle, and when such promotion includes an initial developmental and training assignment, the Group Head may recommend to the President that the mileage rate be based on the lesser of the mileage from their residence to their previous headquarters or to their new headquarters (as applicable). Such a reduction in mileage shall be for a period not to exceed 6 months. Employees will be reimbursed for additional tolls during this period.

IRS Withholdings

Based on current Internal Revenue Service regulations, the Company will withhold payroll income and employment tax payments based upon "Other Compensation" associated with any employee's use of an assigned Company vehicle for commuting between the employee's residence and work headquarters. Such "Other Compensation" will be the difference between the IRS's fair market value for commutation (\$3.00 per day for non-officers) and the amount the employee has paid in mileage charges.

Policy Governing Use of Employees' Personal Vehicles

Emergency Support Employees may elect to use their personal vehicle for commutation and for day-to-day business travel. Commutation to an emergency outside the regular workday is reimbursable at the current IRS mileage reimbursement rate. Such election for personal vehicle use must be made on a calendar year basis and can only be changed beginning on January 1st of a subsequent year (assuming the employee is still in a position where a Company vehicle may be assigned).

Emergency Support Employees who are regularly assigned to a rotating callout list will not be required to pay a mileage fee for those time periods when they are on call and elect to take a Company vehicle home or when they are required to take a Company vehicle home as part of a storm alert.

Employees may elect to use their personal car for incidental business travel and be reimbursed at the current IRS mileage reimbursement rate. For business trips outside the service territory: the economics of transportation, length of the trip, and the availability of suitable trip cars from the local transportation pool will govern whether an employee uses a pool vehicle, rental car, or personal vehicle on the business trip.

Any employee using his/her personal vehicle on a regular basis for business purposes must:

- Carry a minimum business automobile insurance coverage on personal vehicles of \$100,000/\$300,000 bodily injury and \$50,000 property damage. The Company's insurance programs will provide excess insurance beyond this specified level.
- If Company property is installed and/or stored in an employee's personal vehicle, such property must be covered by the employee's own automobile insurance coverage.

Business-related personal injuries continue to be covered under the Workers Compensation Program.

Pool and Rental Vehicles

Adequate transportation will be maintained at each work headquarters on a pool basis for use only by employees and only to meet the Company's needs. At the South Road general offices, the transportation pool will be on a corporate basis; at other locations, the pools will be on a site basis.

The pool may be supplemented from time to time with the use of rental cars. Pool vehicles shall be used only for authorized Company business. Pool vehicles are required to be kept on Company premises except when being used for Company business. Pool vehicles must be locked when left unattended. All cars normally assigned to an employee and not taken home by an employee will be considered part of the local vehicle pool when not in use by the department to which the vehicle is normally assigned.

Standardized Identification of Company Vehicles

As a minimum, Company vehicles shall have the Company's logo permanently displayed on the vehicle's two front doors and rear of vehicle. Reflective striping shall also be applied. Other authorized labeling (such as vehicle numbers) will be placed in suitable locations, as deemed appropriate by the Transportation department.

The Transportation department will utilize best judgment for striping and logo placement depending upon the design of the vehicle's body. Certain body designs may require the Transportation department to deviate from a standardized approach to vehicle identification.

Vehicles designated for the following employee assignments are exempt from these Company marking requirements: Customer Services Division Manager, Security Director, and trip pool vehicles.

EXHIBIT A

Positions Meeting the Transportation Policy Criteria	Designation	Designation
Human Resources & Administration Group	Emergency Response	Emergency Support
Safety Director	X	
Security Directory	X	
Customer Services Divisions		
Customer Services Manager		X
Gas Operations Engineer		
New Business Services Supervisor		
Commercial New Business Counselor		
# Service Supervisor		
Operating Supervisor		
# Line Foreman/woman		
# Gas Foreman/woman		
# Meter Foreman/woman		
System Meter Supervisor		X
Meter Reading & Revenue		X
Protection Supervisor		
# First level Supervisor with emergency response responsibilities		

Operations Services Division		
Operations Services Division Manager	X	
Operations Supervisor	X	
Technical & Production Operations Superintendent	X	
Test, Administrative, Staff & Training Supervisor*	X	X
# Substation Foreman/woman	X	
# Protective Relay Test Foreman/woman	X	
# Communication Test Foreman/woman	X	
# Construction Maint. & Rigging Foreman/woman	X	
# Production Operations Foreman/woman	X	
Treasurer		
Claims Supervisor		X
Claims Adjuster		X

Other

A vehicle may be assigned to a management employee on special or temporary assignment. In each case, the President must approve the terms and mileage based on the nature of the assignment, the need for emergency response and the impact on the employee.

*Assigned with the approval of the President on a case-by-case basis that considers the employee's training and qualifications as it relates to the listed emergency response duties.

First level Supervisor with emergency response responsibilities.